Textile Export Promotion in India-Salient Features

Dr. G. Yoganandan

Abstract--- Textiles are indispensable part of human civilization. By classifying cloth as one of the basic needs of an individual along with food and shelter, the humanity accepted its importance in the human life. In textiles, the fibres are the fundamental unit or building bloc of the yarn. A fibre is defined as any product capable of being woven or otherwise made into a fabric. Government of India has taken many export promotion measures in the past and also pursuing many schemes at this moment in order to promote textile exports from India. In November 2000, the government of India announced the New Textile Policy 2000 to facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. At this juncture, the government of India has to find innovative ways of promoting textile exports from India particularly, focusing on skill development and creating a congenial environment for new entrepreneurs to enter into this industry.

Keywords--- Apparel Exports, Export Promotion, Garments, India, Textiles

I. INTRODUCTION

Textiles are indispensable part of human civilization. By classifying cloth as one of the basic needs of an individual along with food and shelter, the humanity accepted its importance in the human life. The word Textile comes from the Latin word 'Textilis' and the French word ‘Texere’ pertaining to weaving or to woven-fabric. The recorded oldest indication of fibre usage comes with the discovery of flax and wool fabrics at excavation sites of the Swiss lake, the scientific evidence indicate that it belonged to the inhabitants who lived in this area during the 6th and 7th century BC. The Chinese practiced the sericulture as early as 2640 B.C. which was introduced into India in times as ancient as 400 AD, while there are reports of spinning of cotton date back to 3000 BC. The researchers point out that Hemp was the first fibre plant cultivated during 4500 BC, which originated from South-East Asia, and spread to China. There were evidences of textile production in China when researchers found the cocoon of bombyx mori, the domesticated silkworm, in Xia, Shanxi, the research showed that they belonged to the period 5000 and 3000 BC [1].

The oldest known textiles, which date back to about 5000 B.C., are scraps of linen cloth found in Egyptian caves [2]. The industry was primarily a family and domestic one until the early part of the 1500s when the first factory system was established. In 1769 when Richard Arkwright’s spinning frame with variable speed rollers was patented, water power replaced manual power [3]. During the period of industrial revolution in England in the 18th century the power machines for spinning and weaving were invented. The first commercial production started was of rayon fibres in America in 1910 and then further nylon fibre was introduced by the Du-Pont company in the year 1939. The first innovation in cotton manufacture was the flying shuttle, developed by John Kay in 1733, and was one of the key developments in weaving that helped fuel the industrial revolution. The flying shuttle enabled the weavers to propel the shuttle through a wider strip of cloth with a single hand, and allowed the other hand to perform the combing to compact the cloth. This speeded the process and thus increased production. James Hargreaves, a carpenter, developed the spinning jenny, which greatly speeded up the process of weaving cotton threads into cloth. Patented in 1767, the spinning jenny was a series of simple machines rather than a single machine, and it span sixteen threads of cotton simultaneously [4]. In 1793, the American, Eli Whitney, invented the cotton gin, which mechanized the separating of seeds from cotton fibers. These innovations made cotton incredibly cheap and infinitely expandable as compared to wool. By the end of the eighteenth century, the manufacture of thread and cloth was slowly moving out of the family economy and into large factory mills.

II. Textiles – An Introduction

In textiles, the fibres are the fundamental unit or building bloc of the yarn. A fibre is defined as any product capable of being woven or otherwise made into a fabric [5]. The yarn may be defined as a linear assemblage of fibres or filaments formed into a continuous strand, having textile-like characteristics [6]. The word textile-like characteristics denotes good tensile strength and high flexibility of yarns. Broadly the yarns are classified into various types on various parameters. The following (table 1) is the classification of yarns on the basis of its physical properties and performance characteristics.

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Table 1: Types of Yarn and its Properties

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<thead>
<tr>
<th>SL.No</th>
<th>Type of Yarn</th>
<th>General Yarn Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Staple yarns</td>
<td>Excellent hand, covering power, comfort and textured appearance, fair strength and uniformity</td>
</tr>
<tr>
<td>2</td>
<td>Continuous-filament yarns</td>
<td>Excellent strength, uniformity and possibility for fineness, fair hand and poor covering power</td>
</tr>
<tr>
<td>3</td>
<td>Novelty yarns</td>
<td>Excellent decorative features or characteristics</td>
</tr>
<tr>
<td>4</td>
<td>Industrial yarns</td>
<td>Purely functional, designed to satisfy a specific set of questions</td>
</tr>
<tr>
<td>5</td>
<td>High bulk yarns</td>
<td>Great covering power with little weight, good loftiness or fullness.</td>
</tr>
<tr>
<td>6</td>
<td>Stretch yarn</td>
<td>Stretchability and cling without great pressure, good hand and covering power</td>
</tr>
</tbody>
</table>

The textile fibres may be divided into two major groups namely, (a) Natural fibres and (b) Man-made fibres. The following are the sub-classifications of fibres.

1. Natural fibres
   i. Animal
      • Silk
      • Wool
      • Hair (cow, goat, camel, horse, rabbit etc.)
   ii. Vegetable
      • Seed (cotton)
      • Bast (flax, hemp, jute etc.)
      • Leaf (manila, henequen, sisal etc.)
      • Fruit (coir)
   iii. Mineral
      • Natural

2. Man-made fibres
   i. Natural polymer
      • Regenerated protein (casein, vegetable protein etc.)
      • Regenerated cellulose viscose, rayon etc.
      • Cellulose (esters, cellulose acetate etc.)
      • Miscellaneous (natural rubber etc.)
   ii. Synthetic polymer
      • Polyurethanes
      • Polyamides
      • Polysters
      • Polyvinyl derivatives
      • Polymerised hydrocarbons
      • Synthetic rubbers
      • Refractory and related fibres (carbon, glass, metal silica etc.)

III. TEXTILE EXPORT PROMOTION IN INDIA – SALIENT FEATURES

Government of India has taken many export promotion measures in the past. The following section highlights some of the important promotion measures taken during the last decade.

A. New Textile Policy 2000

In November 2000, the government of India announced the New Textile Policy 2000 to facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The policy set an ambitious textile export target of US dollar 50 billion for 2010. One of the key features of this policy was the de-reservation of woven segment of readymade garment sector and increase of Small Scale Industry (SSI) limit for knitwear sector from Rs.1 crore to Rs.5 crore. Also in the same year government allowed 100 percent Foreign Direct Investment (FDI) in textiles (except knitwear sector) through automatic route [7].

B. Export Promotion Capital Goods (EPCG) Scheme

The Export Promotion Capital Goods (EPCG) scheme facilitated import of goods especially the machines or other such tools under this scheme at 5 percent concessional rate of duty [7].

C. Duty Drawback Scheme

Under this scheme exporters were allowed refund of import duty suffered on raw materials etc, and the scheme brings two kinds of benefits to exporters. First, it encourages exporters to use imported world class raw materials in the production process instead of opting for import substitution. Thereby exporters could produce world class product. Second, it helps exporters in reducing the cost of production. As a result, the apparel exporters now can be more competitive in the international market [7].

D. Technology Upgradation Fund

In order to give a fillip to the modernization of production process drive among textile exporters in India, Ministry of Textiles came out with a scheme called Technology Upgradation Fund Scheme. Under this scheme, exporter can avail 5 percent reimbursement in respect of loan availed by him for investments in modernizing the production process [8].

E. Apparel Park for Exports Scheme

Apparel Parks for Exports Scheme was launched in the year 2002 to encourage exporters setting up of apparel manufacturing units of global standards at various potential growth areas for providing vigour to exports. Initial phase saw the implementation of Eleven Project Proposals, for setting up Apparel Parks at Tronica City & Kanpur (U.P.), Surat (Gujarat), Thiruvananthapuram (Kerala), Visakhapatnam (Andhra Pradesh), Ludhiana (Punjab), Bangalore (Karnataka), Tirupur (Tirupur Apparel Park, New Tirupur) & Kancheipuram (Tamil Nadu), SEZ, Indore (Madhya Pradesh) and Mahal (Jaipur, Rajasthan) [9].
F. Export Promotion Councils

There are eleven textile Exports Promotion Councils (EPCs) representing all segments of the Textiles & Clothing sector, viz. ready-made garments, cotton, silk, jute, wool, powerloom, handloom, handicrafts and carpets. These councils act as a registration body in related products for exporters, carry out both executive and advisory functions. The export promotion councils give market and product related information to exporters while providing information on the problems faced by the exporters to the ministry of textiles and other ministries to promote the growth of their respective sector in the global markets. The councils conduct and take part in textiles and clothing fairs and exhibitions in India and abroad to expand the markets of their respective sectors. These councils are Apparel Export Promotion Council (AEPC), The Cotton Textiles Export Promotion Council (Texprocil), The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC), Wool & Woollen Export Promotion Council (S&WEPC), Wool Industry Export Promotion Organization (WOOLTEXPRO), Indian Silk Export Promotion Council (ISEPC), Carpet Export Promotion Council (CEPC), Export Promotion Council for Handicrafts (EPCH), Power-loom Development & Export Promotion Council (PDEXCIL), Handloom Export Promotion Council (HEPC) and Jute Product Development Export Promotion Council (JPDEPC) [10].

G. Apparel Export Promotion Council (AEPC)

The Apparel Export Promotion Council (AEPC) was started in February, 1978 aimed at promoting exports of Ready Made Garments (RMG) from India. Till 2005, during quota regime, the Apparel Export Promotion Council was administering the exports entitlements quota in respect of readymade garment items, which were subject to restraint in USA, European Union and Canada. The headquarters of Apparel Export Promotion Council is located at New Delhi, and Apparel Export Promotion Council has Regional Offices at New Delhi, Jaipur (Rajasthan), Ludhiana (Punjab), Mumbai (Maharashtra), Chennai and Tirupur (Tamilnadu), Bangalore (Kamataka) and Kolkata (West Bengal) [11].

H. Apparel International Mart (AIM)

The main objective of setting up of the Apparel International Mart (AIM) was to provide an opportunity to Indian exporters to showcase their products to buyers. It was constructed at Gurgaon in Haryana where International buyers can converge at a single point to access their requirements and conduct on-the-spot business [12].

I. Apparel Training & Designing Centres (ATDCS)

The Apparel Training & Designing Centre was set up with an aim to train skilled workforce for the fast growing export and domestic sectors of the Apparel Industry and upgrade the technical skills to improve quality, productivity and efficiency in the international context. The Apparel Training & Designing Centre was registered as a Society under the Societies Registration Act on February 15, 1991 at New Delhi. There are 150 ATDCs including 25 ATDC community colleges and over 150 ATDC- SMART peripatetic centres [13] and skill camps in major apparel clusters spread across 20 states in India to provide trained manpower in the field of pattern making/ cutting techniques and production supervision and quality control techniques to the readymade garment industry so that quality garments are manufactured for the global market.

J. National Manufacturing Competitiveness Council (NMCC)

The National Manufacturing Competitiveness Council (NMCC) was set up by the Government to provide a continuing forum for policy dialogue to energise and sustain the growth of manufacturing industries in India [14]. The National Manufacturing Competitiveness Council is expected to suggest various ways and means for improving the competitiveness of manufacturing sector including identification of manufacturing sectors which have potential for international competitiveness, its strengths and weaknesses in order to recommend national level industry/sector specific policy initiatives as may be required for developing the growth of manufacturing sector. Globally, the manufacturing activities are now acquiring a new dimension. The trend is to source products from low-cost countries (LCCs) [15]. India with its past experience, large pool of skilled manpower, established raw material and supply base and growing domestic market volumes has unlimited and untapped potential to emerge as major manufacturing hub for the international market.

K. National Institute of Fashion Technology (NIFT)

The National Institute of Fashion Technology (NIFT) was established in the year 1986 as the apex body under the aegis of the ministry of textiles, government of India [16]. NIFT Act 2006 (passed by the Indian Parliament) has accorded statutory status for the promotion and development of education and research in Fashion Technology on lines of similar premier institutes, with the President of India as the visitor. The objective of National Institute of Fashion Technology is to train professionals to meet the requirements of the textiles industry. The Institute has pioneered the evolution of fashion business education across the country through its network of centres in Bengaluru, Chennai, Gandhinagar, Hyderabad, Kolkata, Kangra, Mumbai, New Delhi, Patna, Rae Bareli and Shillong.

IV. Conclusion

The government of India has many numbers of steps to promote textile exports from India, in particular the export of cotton or apparel exports. The government has tried with cluster approach focusing on creating centres of export driven industry especially the export industries in Tirupur, Delhi, Ludhiana, and Mumbai falls under this category. The government also tried Export Oriented Units (EOUs), Special Economic Zones (SEZ), Parks in specific industries. The benefits of this can be clearly seen from the growth of textile industry in India in terms of its contribution to the total exports, its share in GDP, its contribution to employment generation. Now, developed countries like United States of America, European countries etc., pressurizing the Indian government to stop giving subsidies and other monetary rewards to exporters as it is against the WTO protocol and free
trade. At this juncture, the government of India has to find innovative ways of promoting textile exports from India particularly, focusing on skill development and creating a congenial environment for new entrepreneurs to enter into this industry. The government has to improve its score on ease of doing business in order to realize its dream of make in India project a very successful project.

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